

Relations with the community

COMPANY POLICIES

The Group plays an active role in the areas in which it operates. The Code of Ethics draws attention to the requirements and needs of the community: this commitment consists of various activities which tangibly contribute to achieving sustainable development goals at a global level, such as the promotion of solidarity initiatives with projects set up through partnerships, donations, the sponsorship of important cultural and social initiatives, and the protection and promotion of the historical, artistic and cultural heritage of both Italy and the Group so that it can be enjoyed by the public as well.

With the 2018-2021 Business Plan, the Group intends to become an increasingly important exemplary model for society, developing key projects such as:

- Intesa Sanpaolo programme for the needy, which entails the extension of the 'Cibo e Riparo per i bisognosi' ("Food and Shelter for the needy") initiative to guarantee 10,000 meals a day (3.6 million a year), 6,000 beds a month (72,000 a year), 3,000 medicines and 3,000 clothing items a month (36,000 drugs and 36,000 items of clothing a year) to people in need;
- Intesa Sanpaolo for culture, with the creation of a specialist unit for the promotion and proactive management of artistic, cultural and historical heritage to champion art and culture in Italy and abroad.

Projects and activities are promoted by the Group in order to respond effectively to the most important needs of communities, taking into account the objectives of the major international and national, public and private institutions that contribute to the determination of social policies. Actions are increasingly undertaken in collaboration with local entities and institutions in order to have a positive social impact. In line with the Group's core values, actions are carried out in accordance with the transparency and accountability criteria, and by implementing processes and procedures that aim to avoid any possible personal or business conflict of interest.

CONTRIBUTION TO THE COMMUNITY

Total contributions to the community by type [thousands of euro]	2018	2017	2016
Cash contribution to the community	61,685	49,637	46,412
Goods and services donated to the community	17	-	27
Contribution in terms of time	214	218	146
Operating costs	4,811	3,569	3,682
Total	66,727	53,424	50,267

In 2018, cash contributions were classified based on their reason and broken down as follows:

- About 54.9% consisted of investments in the community: contributions characterised by long-term plans and/or strategic partnerships and/or of sizeable amounts. This percentage is slightly up compared to 2017, and represents the most important part of the Group's monetary donations, demonstrating the strategic nature of its activities, geared towards long-term partnerships that can guarantee real benefits and value for the territory;
- 39.3% consisted of commercial initiatives (sponsorships) that contributed to social causes while promoting Intesa Sanpaolo's brand and business; This percentage is up compared to 2017 (37.2%);
- the remaining 5.8% consisted of non-recurring charitable gifts, of an occasional nature and for small amounts, including match giving initiatives (donations from the Bank during fundraising campaigns, combined with the donations from employees or customers).

The main action areas in which monetary contributions were made in 2018 were support for art and culture, amounting to 30.9 million euro (28.3 million euro in 2017), social solidarity for 9.1 million euro (5.5 million euro in 2017), economic development for 5.4 million euro (4.7 million euro in 2017) and education and research for 9 million euro, versus 4.7 million euro in 2017 (see page [177](#)).

DONATIONS

Parent Company donations are managed through the Fund for charitable, social and cultural donations set out in the Articles of Association of Intesa Sanpaolo and entrusted to the direct responsibility of the Chairman of the Board of Directors, who submits biennial Guidelines for the approval of the Board which set out the objectives, strategic priorities and theme-based policies, including an annual Plan for allocating resources. The Regulations govern the management of the Fund and define the precise mechanisms for the selection of the proposed entities and projects, maintaining the principle of absolute separation of the initiatives regarding donations from the pursuit of commercial interests. With regard to the entities, the Regulations provide for the exclusion from the list of beneficiaries of those organisations involved in legal disputes in matters relating to organised crime and the failure to respect human rights, peaceful coexistence and environmental protection. Only requests for specific projects with a clear social impact are assessed, and the institutions' ability to achieve the stated objectives in the project are preliminarily analysed on the basis of their previous direct experiences or that of similar bodies in terms of size and activity (track record). A rotation system is also used to ensure the widest and most flexible use of the Fund with a maximum limit of three consecutive years of supporting the same project. In addition, initiatives that receive sponsorship cannot be beneficiaries of donations at the same time.

An extract from the Regulations and biennial Guidelines are available on the Group's website.

As regards the risks of this activity, the Group has deemed that the area of donations is one of the potential areas that could lead to corruption. The Fund Regulations and the Group's Anti-corruption Guidelines have laid down precise rules to be followed in order to prevent such risks, which have been incorporated in the Fund's Operating Guidelines and in the digital donation request procedure.

THE CHARITY FUND IN 2018

In 2018, the Fund for charitable, social and cultural donations of Intesa Sanpaolo disbursed approximately 12 million euro to support over 900 projects carried out by non-profit organisations.

The target of allocating a high share of resources (>70%) to donations supporting projects benefiting more vulnerable sections of the population, operating according to an increasingly more stringent selection mechanism in relation to project and counterparty quality, has been exceeded by a considerable amount, being almost 92%.

In the 2017-2018 Guidelines for the Charity Fund approved by the Board of Directors, the priority Areas for action are the Social and Environmental areas, which have been allocated most of the available funds (72% of donations made in 2018), whereas a smaller percentage is allocated for Cultural activities, Religious and charity projects, and finally to Research. In particular, the social and environmental projects are selected on the basis of priority issues deemed relevant and urgent: activities in support of the earthquake victims of central Italy and the social and economic inclusion of migrants and immigrants. The Fund is open to actions that also support other areas, such as: employment; housing deprivation; health poverty, disease prevention, support, care and welfare of patients and their families; social inclusion (first-level priority); the fight against educational poverty and drop-out rates, support for those with physical and intellectual disabilities; preventing and combating violence (second-level); protecting the environment and biodiversity and amateur sport, the latter being only for locally-based donations (third-level). The main projects in the social and environmental area supported in 2018 included activities to combat violence against women, to prevent and combat the child maltreatment, to support psychologically vulnerable young people, to provide rehabilitation to children with learning difficulties, to combat truancy in disadvantaged areas and to promote the inclusion of the disabled. As for Research projects, since 2018 the Fund has decided to rely on the support of third-party assessors with expertise in the various areas (mainly medical research) in order to guarantee a more complete analysis based on a specialist examination.

To distribute donations more evenly across Italy (historically mainly concentrated in central and northern Italy), in 2018 dedicated meetings were organised with non-profit institutions in some cities in southern Italy, during which the rules and methods of accessing the Fund were explained in detail, with organisations given the chance to ask questions.

2018 also saw the formalisation of the group of universities tasked with monitoring and assessing those projects, for which contributions of equal to or over 100,000 euro are requested from the Fund. There are no restrictions in choosing the assessment body, and collaboration methods are set out directly by the body that proposes the project and the chosen assessment body. The Fund guarantees coverage of a maximum of 50% of the costs.

In line with the 2017-2018 Guidelines, the most significant projects supported by the Fund have included support for the earthquake victims of central Italy and the social and economic inclusion of migrants and immigrants, which have been granted a total of around 2.2 million euro.

In 2018, the Chairmanship decided to make part of the Fund's reserves available to contribute towards the goals of the 2018-2021 Business Plan and, in particular, to support food poverty initiatives aimed at guaranteeing the coverage or an increase in the number of meals distributed by charitable institutions across Italy, as established by the "Intesa Sanpaolo for the needy" project. In total, 2.5 million euro was donated to Caritas Italiana, Comunità di Sant'Egidio ACAP, Gruppi di Volontariato Vincenziano AIC Italia, Opera San Francesco per i Poveri and Piccola Casa della Divina Provvidenza – Cottolengo for the distribution of around 3,000 meals a day in 2018, equal to around 30% (over one million meals) of the total meals distributed during the year (approximately 3.3 million meals) with the support of the Group. The collaboration with the International Subsidiary Banks Division continued in order to identify specific initiatives supporting the communities and areas in which the Group operates, with the aim of covering all of the countries in which its subsidiaries are present on a rotating basis. In 2018, the focus was on Romania and Serbia, and the target area was minors in difficulty. The projects supported in Romania concerned the social and medical rehabilitation of vulnerable minors in the district of Alba Iulia, Transylvania, handled by Medici per la Pace, and the formal and informal education of street children in Bucharest by Associazione Parada. In Serbia, support was given for a family strengthening programme in Obrenovac headed by SOS Children's Villages, and for a parenting support programme in various rural communities organised by the Novak Djokovic Foundation. The collaboration aims to disseminate new procedures for the selection and monitoring of projects among the International Subsidiary Banks, following the example of the initiatives taken by the Parent Company. The projects were given visibility through internal communication activities.

NOTEWORTHY SOCIAL INITIATIVES FOR THE GROUP

INTESA SANPAOLO FOR THE NEEDY: THE NEW PROGRAMME COMBATING POVERTY

The current economic situation in Italy has put a spotlight on the number of people living in poverty in the country, approximately 5 million individuals. What is more, forms of inequality are on the rise. To combat this, within the 2018-2021 Business Plan, the Bank has included the "Intesa Sanpaolo for the needy" programme, with the goal of supporting the most vulnerable people, providing them with 10,000 meals a day, 6,000 beds a month, and 3,000 medicines and items of clothing a month.

The programme is one of the country's key initiatives supporting those who find themselves in difficult circumstances. Thanks to its economic performance and strength, the Bank, with a portion of its resources, gives back to the communities in which it operates, and to civil society in general.

To implement the Programme, four lines of actions have been devised: the National Solidarity Systems for Meals, Shelter Provision, Medicines and Clothes. These, with the support of non-profit organisations, have allowed for 3.3 million meals to be distributed, 95,000 beds to be offered (exceeding the goals of the Plan), and 48,000 medicines (exceeding the goals of the Plan) and 36,000 items of clothing to be provided, fulfilling the commitments made.

These goals have been achieved thanks to social measures and actions conceived and promoted by the Bank, with a view to effectively and innovatively meet a wide range of needs. This new type of action is supplemented by donations supporting third-party projects.

Thanks to the structured dialogue concerning social emergencies with the leading voices of the community and co-planning round tables, high-impact measures implemented on a local and national level have been set out, that can also be replicated.

To develop the initiatives, partnerships were formed, including multi-year ones, with non-profit organisations, institutions and other corporate customers.

The Bank has promoted concrete collaboration ecosystems based on the values of reciprocity, responsibility and subsidiarity, with a circular welfare approach in which the relationships between the various stakeholders make it possible to contribute to the implementation of actions for the collective interest with long-lasting impacts.

The Bank reaffirms its exemplary role for the communities in which it operates, acting as an advocate for inclusive growth and social cohesion, core elements of the charitable foundations founded 500 years ago that paved the way for our banking Group.

National Solidarity System: Meals

Through its 4-year partnership with Fondazione Banco Alimentare Onlus, the Bank has launched a process to strengthen its ability to recover and redistribute leftover food, contributing to the distribution of 2.1 million meals a year to charitable organisations that help the needy.

In terms of primary needs, the “meal” projects for ill people provide support to the beneficiaries throughout mealtimes, where possible taken with their families, sometimes with a focus on food education.

The agreement signed with the Together ToGo Foundation - TOG, through which the Bank not only contributes to covering over 11,000 meals a year for young patients affected with serious neurological illnesses, but also involves them and their families in rehabilitation and educational courses, forms part of this commitment.

The partnership with Associazione Italiana Contro le Leucemie - Linfomi e Mieloma - AIL Milano e Provincia Onlus (“Italian Association against Leukemia-Lymphoma and Myeloma – AIL Milan and the Province Onlus”) has the goal of supporting those who are required to travel considerable distances for healthcare treatment, by providing 66,795 meals per year.

On reaching this goal, it also contributed to the Charity Fund, guaranteeing over 1 million meals. Fondazione Intesa Sanpaolo Onlus also contributed to achieving these results as per its statutory vocation, which sees it make donations to support social canteens and dormitories, as well as to employees in difficulty and for study purposes.

All in all, almost 3 million euro was allocated for 3.3 million meals for the needy during the year.

National Solidarity System: Shelter provision

The projects dedicated to “Shelter provision” go beyond providing beds: the beneficiaries of the actions, children and adults with serious illnesses, have the possibility of being accommodated in spaces similar to homes, reducing their feeling of being hospitalised. The projects structured in this way guarantee vulnerable people a truly humane growth process.

To this end, the project launched with AIL plans to offer practical assistance to people forced to travel significant distances for healthcare reasons who - living far from Haematology Centres - require accommodation and services. The aim is to provide over 19,000 beds a year.

Concurrently, the project launched with City Angels pursues social solidarity goals in order to combat the severe marginalisation of homeless people: not only does it offer them practical assistance by providing 64,000 beds a year, it also enables social and job market reintegration processes to help people get back on their feet and regain their social and economic independence.

Fondazione Intesa Sanpaolo Onlus made its contribution to the shelter provision project, supporting, with a commitment of approximately 200,000 euro, 35 bodies that provide beds in dormitories for deprived individuals across a number of regions.

Overall, over 1.3 million euro was allocated for around 95,000 beds during the year, 130% of the set objective

National Solidarity System: Clothes

The aim of the projects dedicated to clothing for the needy is to help them maintain their dignity, supporting them with regard to one of their most sensitive needs, underwear, which can be difficult even for NPOs specialising in the collection of clothes to obtain.

More specifically, the Bank launched Golden Links, a project that seeks to provide for this need and guarantee the distribution of over 36,000 clothing items to around 9,000 individuals that have been marginalised (due to illness, the loss of employment, migration, previous imprisonment, housing problems etc.), providing them with significant help.

The cornerstone of the project is the collaborative action taken by the various parties involved. On one hand, the partners (Caritas Torino and Comitato S-Nodi, as well as the Bank and Goldenpoint) have launched an innovative co-responsibility chain, working together to combat one of the most significant forms of poverty. Meanwhile, on the other hand, Italian women and immigrants worked together to create clothes kits, which are then distributed by NPOs during social occasions and community events, with the involvement of the general public, during which families can also expand their network of “social ties”.

National Solidarity System: Medicines

The project dedicated to combating educational poverty aims to give everyone an equal opportunity to access medicine. Thanks to the partnership with Fondazione Banco Farmaceutico Onlus, a project was launched to collect and distribute medicines that have not reached their expiration dates to charitable organisations that help people in need. The aims of the project are shared by all parties involved, and this ensured the initiative was a great success: 48,000 medicines were distributed in 2018 with new networks formed, particularly in areas of the country with severe social and economic difficulties.

A total of 250,000 euro of resources, including measures and actions implemented by Fondazione Intesa Sanpaolo Onlus, was spent on national solidarity in the area of clothes and medicine.

FOOD BANK INITIATIVES FOR THE NEEDY IN HUNGARY AND SLOVAKIA

CIB Bank (Hungary) continued its collaboration with the Hungarian Food Bank Association (HFBA). In 2018, 120 employees volunteered to take part in the well-established Hungarian Food Bank initiative held between 23 and 25 November, which made it possible to collect around 79 tonnes of non-perishable food from 36 stores across the country.

For the first time, VÚB Banka (Slovakia) also ran a food bank. These activities took place as part of the Giving Tuesday initiatives in Slovakia, in the month of November. 45 of the Bank's employees volunteered, collecting over 300 kg of non-perishable food in 13 cities and providing it to the Slovakian Food Bank for its storage and distribution to people in economic difficulty across the country.

BANK OF ALEXANDRIA - EBDA3 MEN MASR ("CREATIVITY FROM EGYPT")

Ebda3 Men Masr is one of the Bank of Alexandria's main Corporate Social Responsibility projects, launched in 2016 in partnership with the Egyptian Ministry of Social Solidarity, with the aim of supporting artisans that produce original handicraft using time-honoured techniques that have been passed down from generation to generation. Around 5,000 artisans and women from different areas of the country have benefited from the project, which has strengthened the most marginalised local communities and helped to preserve Egypt's traditional artisanal culture through the creation of objects such as ceramics, textiles and other traditional products. Bank of Alexandria has promoted this project in order to create shared value, becoming a partner of the communities in order to combine local economic growth and social development.

Ebda3 men Masr received an award from the Governor of the Egyptian Central Bank, Tarek Amer, for being the project with the biggest social impact in the banking sector in 2018.

PROJECTS TO SUPPORT CHILDREN

The Group is also involved in activities specifically dedicated to children through its support for major inclusion projects.

INTESA SANPAOLO'S EDUCATIONAL PROGRAMME FOR CHILDREN WHO ARE LONG-TERM PATIENTS

The Bank offers free crèches for children aged between 0 and 3 admitted to first-rate hospital oncology departments, intending to help them overcome the social and psychological isolation resulting from their illness. Cognitive and affective development is promoted through appropriate programmes, provided by qualified educators in an environment that is as calm as possible. The project also provides families with practical help in organising their lives and living with the illness. The Educational Programme provides mothers with significant support as, in most cases, they directly care for their child during their period of hospitalisation. In 2018, the Programme was launched in partnership with local cooperatives that form part of the PAN Consortium:

- in Padua, at the Paediatric Onco-haematology Clinic of the local Hospital (July);
- in Bologna, in the Paediatric Onco-haematology ward of Policlinico Sant'Orsola (October).

The Programme was also renewed in the hospitals that joined the initiative in 2017:

- in Turin, in the Paediatric Onco-haematology Ward of the Regina Margherita Children's Hospital in Città della Salute;
- in Naples, in the Paediatric Oncology Ward of Santobono Pausilipon Specialisation Hospital;
- in Monza, in the Paediatric Haematology Ward of the "Fondazione Monza e Brianza per il Bambino e la sua Mamma" inside San Gerardo Hospital.

Since the service was launched, 100% of the children of pre-school age in the partner hospitals involved in the project have been included in the long-term patient programme with positive results: healthcare and educational staff have noted considerable psychological and behavioural improvements in the 176 children involved.

SUPPORTING CHILDREN WITH COMPLEX NEUROLOGICAL DISEASES

Intesa Sanpaolo and Intesa Sanpaolo Vita, in line with the Group's commitment to vulnerable children, supports the NPO Fondazione Together ToGo Onlus – TOG, which has created a centre of excellence in Milan that currently provides free rehabilitation treatment to over 100 children with complex neurological illnesses. More specifically, the project supports around 30 children with nutritional deficiencies with specific rehabilitation provided by specialist staff (speech therapists, experts in swallowing disorders and physiotherapists) that work directly with the children and teach parents the necessary assistance techniques.

INTESA SANPAOLO PROGRAMME FOR THE INCLUSIVE EDUCATION OF CHILDREN AND TEENAGERS - THE WEBECOME PLATFORM

In 2017, Intesa Sanpaolo launched an innovative inclusive education programme aimed at primary school children to promote their inclusion and development of positive behaviour, responding to the need to address critical issues emerging in the area of childhood anxiety. The first phase of the project has come to a close, and addressed issues such as digital civic education, bullying and cyberbullying, diversity, addictions, food and nutrition (with a considerable focus on obesity and malnutrition), innovation and the development of individual potential. The issues were structured into eight courses, each with specific letters from the 'Alphabet for Growth' characterising them: M for maps to provide a guide to childhood disorders, U for uniqueness, T for together, C for closeness, F for flavour, A for aptitude, W for well-being, and R for relations. The free online platform at www.webecome.it, available at all times, has educational videos featuring experts, training videos, in-depth content and planning tools in order to organise engaging and positive educational experiences in class. Parents are offered sets of useful information to learn more about and help combat childhood anxiety, that can also help them to develop the potential of their children. The trial phase of the Programme involved 97 schools, over 2,000 children, 120 teachers and headteachers and around 55 parents in the regions of Piedmont, Lombardy, Veneto, Lazio, Campania and Puglia.

QUBÌ – QUANTO BASTA PROGRAMME

To combat a terrible phenomenon such as child poverty, which affects about 20,000 minors and 10,000 families in Milan alone, Intesa Sanpaolo is committed to supporting the QuBi Programme together with Fondazione Cariplo and partners Fondazione Vismara, Fondazione Invernizzi and Fondazione Fiera Milano.

The Bank has pledged to donate 3 million euro over three years, and has made specific tools available to facilitate fundraising, such as its network of branches and ATMs, and the For Funding fundraising platform.

A key initial result of QuBi was the creation of a complete archive of administrative data on poverty in Milan through the collation of data belonging to both the public and private sector. Subsequently, funds were provided for the opening of the first Emporio Caritas in Milan, and two Banco Alimentare hubs in two different areas of the city. As part of the Programme, Fondazione Cariplo also announced the *Al Bando le Povertà!* competition, which aims to strengthen the ability of Milanese Third Sector networks to support minors and their families with projects that improve their quality of life and help them recover from periods of difficulty.

ASSOCIAZIONE PER MILANO

In October, the Bank joined forces with the NPO Per Milano, which in the next three years aims to support projects for those most in need, particularly disabled and socially vulnerable children. As well as becoming a founding member of the association, the Bank also showed its consciousness of these issues by donating 200,000 euro to the programme dedicated to children.

TRAINING AND WORK PROJECTS FOR THE NEXT GENERATIONS

WORK-BASED LEARNING

Z LAB is the 3-year ongoing work-based learning course that third-year secondary school pupils attend until they are in the fifth year. The project covers all of the hours established by the Buona Scuola law (200 hours for high schools, 400 hours for technical and professional schools). Pupils spend every hour in the Bank with weekly modules (10 or 15 consecutive working days). As host company, Intesa Sanpaolo provides the students with a reference environment with interactive dynamic features, experiential workshops, project work and digital culture, so that they can discover and think about the world of work. Pupils are assisted by around 80 specially trained internal employees who assist as tutors during the workshop activities. Meanwhile, relations with the schools are managed by around 30 staff from the Personnel departments of the eight Regional Governance Centres who act as company tutors. All of the topics covered are contextualised in business activities, also with visits to the head office departments and talks with internal 'spokespersons'. The first three years of the Z LAB project (the 2016/2017, 2017/2018 and 2018/2019 academic years) have involved around 2,000 students from 90 schools, hosted by Intesa Sanpaolo in 100 workshops, which overall have provided over 75,000 man/days (520,000 hours) of work-based learning activities. Z LAB workshops were organised in 15 different Italian cities.

The Savings Museum also contributed to the "Alternanza Scuola Lavoro" work-study project promoted by Intesa Sanpaolo and LUISS Guido Carli – Libera Università Internazionale degli Studi Sociali, with a series of training courses and workshop activities, based on the content of the Museum on major financial crises, entrepreneurship and the role of international financial institutions for the 600 students involved.

RELATIONS WITH UNIVERSITIES

During the year, the initiatives in progress in the academic sphere were systematically expanded, fostering collaboration between the Group's structures to increase its presence in Italian and international universities, with the goal of supporting education and studies and developing the necessary skills for the competitive environment of the future.

Intesa Sanpaolo collaborates in various ways with around a third of Italian universities, providing services such as treasury management, special agreements for employees and student loans, as well as supporting teachers, 1st and 2nd level Master's courses, student and PhD study grants, teaching posts held by Group employees for the benefit of the universities, and ad hoc projects. Its most notable contacts and partnerships with foreign universities include its collaboration with the University of Oxford.

PARTNERSHIP WITH GENERATION - THE PROJECT REDUCING YOUTH UNEMPLOYMENT

With the aim of contributing to reducing youth unemployment, the Group began a partnership with Generation, a global non-profit initiative created by McKinsey & Company in 2015. In 3 years, Generation has helped around 25,000 students from 100 cities in nine countries to graduate from school and enter the working world.

In Italy, the second European country after Spain, Generation launched its activities in 2018 through a non-profit foundation and began its first training programmes in the business sector.

Generation seeks to train around 5,000 youths in the next three years, and to help them enter the working world with an approach that brings together the demand for skills, the expertise required by businesses, and geographical areas with high levels of unemployment.

PROMOTION OF CULTURE FOR SOCIAL COHESION

Intesa Sanpaolo views its commitment in this sector as taking on a social responsibility, contributing to both the economic and the cultural and civil growth of the country. Consistent with this approach, the Bank's Articles of Association entrust the Chairman of the Board of Directors, after consultation with the Managing Director and according to the Guidelines approved by the Board, with the planning and management of the cultural initiatives of the Company and Group, with particular reference to the promotion of historic, archaeological and artistic heritage; in this role, the Chairman has a cooperative relation with the Chairman Emeritus.

The Guidelines approved by the Board of Directors became effective in 2009 with Progetto Cultura, the Bank's strategic container for cultural activities.

On the one hand, Progetto Cultura aims to enable an increasingly larger audience to access the increasingly significant artistic, architectural, publishing and documentary heritage of the banks that have become part of the Group. On the other, it aims to contribute to safeguarding Italy's cultural heritage.

The Bank's artistic heritage is promoted in various ways: through the study and scientific cataloguing of the works; restoration activities; museum projects for permanent displays of part of the collections (Gallerie d'Italia); the planning and organisation of temporary exhibitions; support for training and research scholarships for students in collaboration with universities; and the loaning of works to temporary exhibitions.

As part of the activities to audit the safeguarding and promotion processes of its artistic heritage, since 2017 Intesa Sanpaolo has introduced a process of recalculating the value of its most precious works of art at fair value, using the IAS/IFRS accounting principles. In 2017, the value attributed to 3,500 works (out of a total of 30,000), many of which classed as works of historic-artistic interest by the Italian Ministry of Heritage and Cultural Activities and exhibited in the three Gallerie d'Italia museum complexes, was therefore updated according to current market values in the financial statements at 31 December 2017 to 270 million euro, constituting part of an accumulation of architectural, historic and artistic assets amounting to over 850 million euro. The complex revaluation process involved: the standardisation of the data from different accounting systems representing the history of over 250 banks that have gradually become part of the Group; the benchmarking of some of the world's biggest banks involved in art and culture; and the adoption of standard criteria recognised at a national and international level for the determination of value, entrusted to specialist companies. This innovative process will continue in time and will be made available to parties such as research bodies, universities and the media as a best practice and fundamental component of the social and civil responsibility mission that Intesa Sanpaolo pursues as part of Progetto Cultura.

At the end of 2017, an internal unit was created within Intesa Sanpaolo (Art, Culture and Historical Heritage Head Office Department), which is dedicated to the protection, conservation and promotion of the Group's historic, artistic, architectural and cultural assets, as well as the management of the Group's cultural initiatives.

In particular, the unit is responsible for overseeing activities for the protection and promotion of historic, archaeological and artistic heritage and relative spaces, guaranteeing the management and promotion of its archive heritage. In the realm of culture, the unit is tasked with ensuring the design, organisation and implementation of the Group's cultural projects, as well as managing and enhancing activities to communicate and promote events, activities and partnerships.

Particular attention is focused on activities that allow these assets to be enjoyed by particular sections of the public, through numerous projects dedicated to vulnerable individuals (people with sensory and cognitive disabilities, foreign communities of immigrants, people living in difficult and marginal circumstances), with the goal of ensuring the complete accessibility of cultural heritage and establishing the museum as a space for participation and social integration. In particular, the main focus of the activities of the Gallerie is the ongoing commitment to eliminate the physical and mental barriers that can hinder access to their collections and to art in general, and to combating social exclusion with a view to serving the community.

In 2018, a number of initiatives organised by the Gallerie d'Italia were once again dedicated to disadvantaged and vulnerable groups of society. The most notable of these are detailed below:

Projects	Category	Description	Partner Entities	Events and Users involved
Gallerie d'Italia – Piazza alla Scala - Milan				
Disability Day Centres	People with motor and/or cognitive disabilities attending these centres	Educational activities	23 disability day centres organised by the Municipality of Milan	Series of events (about 19 in total, with the participation of about 230 people)
A few steps inside Milan's Museums	People suffering from Alzheimer's and their caregivers	Art Therapy	Fondazione Manuli Onlus	42 events, with around 30 people
For other eyes	Partially-sighted people	Museum collection visits for particular sections of the public	<ul style="list-style-type: none"> ▪ IRCCS Fondazione S. Maugeri Pavia ▪ Museo Omero in Ancona ▪ Istituto Ciechi of Milan 	4 guided tours with 90 guests
Affects – Art Effects	Individuals with mental health conditions	Vocational training course for accessing culture and welfare	Third Sector Familiari, Coord. Associaz. Milanesi della Salute Mentale ("Coordination of the Mental Health Associations of Milan"), Innovative Regional Project promoted by ALA Sacco	18 events for 12 participants
Art: a bridge between cultures Intercultural meetings	Citizens from abroad	Enculturation	FAI and Amici del FAI, Association for social advancement Connecting Culture and Comunità Nuova Onlus	8 guided tours conducted by cultural mediators (for about 200 people)
Welcoming political refugees	Guests of reception centres for refugees	Social integration	Associazione Farsi Prossimo	15 guided tours with 300 participants
Museo per Me	Initiatives for children and adults with autism spectrum disorders and Asperger's syndrome	Museum collection visits for particular sections of the public	<ul style="list-style-type: none"> ▪ Specialisterne: training company for users with high-functioning autism and Asperger's syndrome ▪ Fondazione Istituto Sospiro Onlus 	12 events with a total of 94 people involved
Gallerie d'Italia – Palazzo Leoni Montanari - Vicenza				
Summer in the Galleries; expressive workshops involving pupils with disabilities; Warp and wefts	Children, younger generations	Expressive workshops and inclusive sensory activities	Municipality of Vicenza, IPAB per i minori di Vicenza	50 activities with around 950 participants

Projects	Category	Description	Partner Entities	Events and Users involved
A Museum tells its story.	Citizens from foreign countries, people in difficult situations (due to mental or food problems, including traumatised people and those with disabilities)	Special museum visits	Municipality of Vicenza, ULSS 8 Berica (Centro diurno San Felice and Centro disturbi alimentari), Cooperativa Easy, Cooperativa Il Nuovo ponte, ANFFAS, Studio Progetto, ULSS 7 Asiago	28 activities with 290 participants
Art and memory	Residents of homes for the elderly and geriatric patients with psychological conditions	Special museum visits - art therapy	Homes for the elderly IPAB and IPARK Vicenza ULSS 8 Berica - Psychogeriatrics Department	12 activities with 160 participants
Music beyond the barriers	Patients in hospital, residents of homes for the elderly, day centres for the disabled and prisoners	Art and music workshops	Ensemble Musagète and IPAB San Giuliano (VI), Casa Circondariale S.Pio X prison, Cooperativa Il Nuovo Ponte	5 activities with 500 participants
Ideas to make progress	People suffering with mental health conditions	Special museum visits	ULSS 8 Berica (Day centre for psychological conditions); Gli Stati della mente/ Arka Associazione Culturale	6 activities with 160 participants
Accessibility	People with visual or auditory disabilities	Preparation of accessible routes	Unione Italiana Ciechi, Vicenza section	3 preparatory meetings with 15 participants
Gallerie d'Italia – Palazzo Zevallos Stigliano - Naples				
Museum for everyone, Fun with your fingers, Art and integration. Walking around Naples, A tactile book for curious little hands	Partially-sighted individuals	Special museum visits and educational and expressive workshops	Istituto Regionale Paolo Colosimo, Schools and education centres, Unione Italiana dei Ciechi e degli Ipovedenti ("Italian Union of Blind and Partially Sighted People"), Institutes and education centres	37 activities with 750 people
Feeling differently	People with partial hearing	Special museum visits	Ente Nazionale Sordi ("Italian National Agency for the Deaf")	3 events for 50 people
A day at the museum...	People with autism spectrum disorders	Special museum visits and educational and expressive workshops	ARGO enabling centre, FOQUS – Fondazione Quartieri Spagnoli	7 activities for 70 people

Projects	Category	Description	Partner Entities	Events and Users involved
I'm going to the museum, Introducing myself	People with Down's syndrome	Special museum visits and educational and expressive workshops	Associazione Italiana persone Down ("Italian Association for people with Down's syndrome")	20 activities with 200 people
Memory tiles,	People suffering from Alzheimer's	Special museum visits and educational and expressive workshops	Associazione Italiana Malattia di Alzheimer ("Italian Alzheimer's Association")	3 meetings with 45 people
Let's meet at the museum, Art meetings	People with pathological addictions	Special museum visits and educational and expressive workshops	LILLIPUT day centre, Aleph day centre	20 activities with 300 people
Beyond the confines, I identify...with my city	Women and children at risk of exclusion; citizens from foreign countries	Special museum visits and educational and expressive workshops	Social Cooperative Dedalus	20 activities with 150 people

In total, over 500,000 people visited the Galleria d'Italia museum complexes in 2018, including visitors of the exhibition space in the Intesa Sanpaolo skyscraper in Turin and of the XVIII edition of the Restituzioni exhibition at the Reggia di Venaria Reale Palace. Around 73,000 pupils and students from local schools took part in the free educational activities.

In 2018, 14 major exhibitions were organised and 140 works of art from the Intesa Sanpaolo collections were loaned to exhibitions in Italy and abroad.

In November 2018, Intesa Sanpaolo was presented with the Innovation in Corporate Art prize at the Corporate Art Awards at the European Parliament in Brussels. It was awarded the prize for its development of innovative collaborations with private collections, in particular the promotion of the Luigi and Peppino Agrati collection at the Gallerie d'Italia – Piazza Scala in Milan, for its international activities with the integration and the collaborations between collections from different countries, and for its innovation in measuring the financial impact of its art initiatives on the company financial statements when recalculating the value of Intesa Sanpaolo's historic and artistic heritage at fair value in the 2017 Financial Statements.

The Innovation in Corporate Art prize recognises Intesa Sanpaolo's extraordinary commitment to promoting the art collection, including through partnerships with world-leading cultural institutions, making the Gallerie d'Italia an institution of renown within and outside of Italy and contributing to the promotion of Italian culture across the world. In this regard, the Group's key international collaborations included its involvement in the 20th anniversary celebrations of London's Estorick Collection, the famous Italian modern art museum which between 15 November 2018 and 20 January 2019 hosted two Umberto Boccioni paintings - Tre donne and Officine a Porta Romana ("Three Women" and "Workshops in Porta Romana")- belonging to the Intesa Sanpaolo collection and permanently exhibited in the Gallerie d'Italia in Milan.

There was also the major exhibition dedicated to Piero della Francesca (6 December 2018 - 10 March 2019) at the State Hermitage Museum of Saint Petersburg, one of the first projects in the three-year partnership between Intesa Sanpaolo and the famous Russian museum to promote, raise the profile of and spread the art and artistic mastery of Italy among a large international public.

There have been numerous collaborations between the two institutions: as well as this exhibition on the great Renaissance artist, three of the Russian museum's works (two paintings by Friedrich and a marble statue by Tenerani) were exhibited during the "Romanticism" exhibition at Gallerie d'Italia – Piazza Scala in Milan (26 October 2018 - 17 March 2019), while Juan Bautista Maino's masterpiece, Adoration of the shepherds, was an "Illustrious Guest" at the Intesa Sanpaolo skyscraper in Turin (22 December 2018 - 6 January 2019).

The Group has also formed a partnership with another important Russian cultural institution, the Pushkin Museum in Moscow which, having hosted works from the Intesa Sanpaolo's 18th century Venetian collection, lent the Group some of its masterpieces by the great Venetian masters, which made a temporary return to Italy. The paintings from the Pushkin were on display at Palazzo Chiericati in Vicenza, site of the civic museum, and at Gallerie d'Italia – Palazzo Leoni Montanari, the Intesa Sanpaolo museum, as part of the "The Triumph of Colour. From Tiepolo to Canaletto and Guardi. Vicenza and the Masterpieces of the Pushkin Museum in Moscow" exhibition (23 November 2018 - 10 March 2019).

INTESA SANPAOLO FOR CULTURE

Progetto Cultura is the channel which Intesa Sanpaolo uses to contribute to the cultural progress of Italy. Renewed every three years, the plan identifies and organises a series of activities in the field of art and culture, carried out independently or in partnership with other public and private entities (museums, foundations, universities, public institutions, and theatre and music companies). Intesa Sanpaolo's artistic, architectural and documentary heritage consists of thousands of works from the 5th century BC through to the 20th century, with around 1,000 of these permanently exhibited, including masterpieces by Caravaggio, Canaletto, Boccioni, Fontana and Manzoni. For these pieces of art, the Group is able to make use of over 20 prestigious buildings. Progetto Cultura has three main goals:

- supporting the activities of leading cultural and educational bodies and institutions;
- recovering historic-documentary heritage with the Historical Archive;
- restoring and historically and critically analysing its own art collections through the organisation of exhibitions and the opening of its own museum complexes to allow the public to appreciate them; safeguarding and promoting the country's cultural heritage through the Restituzioni project, the programme for the restoration of public works of art promoted and managed in collaboration with local cultural superintendences.

The Gallerie d'Italia forms the Intesa Sanpaolo museum centre, created with the aim of sharing the artistic heritage inherited from the 250-plus banks that have been incorporated into the Group – comprising over 30,000 works – with visitors. A selection of works is collected and displayed in three prestigious buildings belonging to the Bank - in the centre of Milan, Naples and Vicenza - which have been transformed into museums.

- Le Gallerie di Piazza della Scala in Milan was opened at the end of 2011 with the section “From Canova to Boccioni”, dedicated to the 19th century collections of Fondazione Cariplo and Intesa Sanpaolo. Since 2012, some rooms of Palazzo Beltrami, the historic headquarters of Banca Commerciale Italiana, have hosted “Cantiere del '900”, a project to promote and explore the 20th century collections. The exhibitions “Omar Galliani. Around Caravaggio”, “Art as revelation. The Luigi and Peppino Agrati collection”, “Pino Pinelli. Painting beyond the limits”, “True perfection. The Capodimonte Cassetta Farnese” and “Romanticism” were held in 2018;
- Le Gallerie di Palazzo Zevallos Stigliano in Naples was opened in 2007 and completely renovated and extended in 2014. They host 123 works that show the development of the figurative arts in Naples and southern Italy between the 17th century and the early 20th century, alongside the biggest masterpiece of the Intesa Sanpaolo collections: The Martyrdom of Saint Ursula by Caravaggio, the final painting by the great Lombard master. The exhibitions “Leonardo. La Scapiliata”, an illustrious guest from the Complesso Monumentale della Pilotta of Parma, “London Shadow. The English revolution from Gilbert & George to Damien Hirst”, photography exhibition “Neapolitan metabolism. Luciano and Marco Pedicini” and “Rubens, Van Dyck, Ribera. The collection of a prince” were organised in 2018.
- Le Gallerie di Palazzo Leoni Montanari in Vicenza has been open since 1999, and was also renovated in 2014. They host a collection of Russian icons regarded by academics as the most important in the Western world (currently being rearranged) and a major collection of 18th century Venetian works. As part of the “Il Tempo dell'Antico” (“Ancient Times”) project, groups of vases selected from the large collection of Attic and Magna Graecia pottery are displayed on a rotating basis. The exhibitions “Seduction. Myth and art in Ancient Greece”, “Paparazzi. Photographers and stars from the dolce vita to today”, and “The Triumph of Colour”, which sees Palazzo Montanari and the Pinacoteca Civica of Vicenza welcome 18th century Venetian masterpieces from the Pushkin Museum of Moscow, were organised in 2018.

The 36th floor of the Intesa Sanpaolo Skyscraper in Turin has also become a Gallerie d'Italia exhibition space, and in 2018 it hosted the exhibition “Juan Bautista Maino. Adoration of the shepherds” from the State Hermitage Museum of Saint Petersburg.

In November 2018, the section of the museum that hosts the “Intesa Sanpaolo, formerly Cassa di Risparmio di Venezia” collection was opened at Fondazione Querini Stampalia in Venice. The collection of Venetian School paintings, sculptures and drawings from between the 16th and 20th centuries, the precious materials of the “Biblioteca veneziana” and the coins produced by the Venice Mint were entrusted to Fondazione Querini as part of a multi-year agreement.

Another of Intesa Sanpaolo's cultural projects is Restituzioni, launched in 1989 for the restoration of Italy's works of art and architecture. Every two years, in collaboration with public protection bodies, local cultural superintendences, the independent museums and the museum centres, the programme

identifies a considerable number of works that require restoration, finances this restoration, and promotes the works by organising temporary exhibitions and publishing the related catalogues. This commitment has made it possible to restore over 1,300 works of art for the public to appreciate. In the 2016-2017 two-year period, 212 works from 17 regions were restored, with a concluding exhibition at the Reggia di Venaria Reale palace in Turin, "The fragility of beauty" (2018).

As well as promoting its own works of art and those belonging to the public, the Bank also strongly supports Italy's leading museums, institutions and cultural initiatives, from exhibitions to festivals, focusing particular attention on promoting books and reading (Turin International Book Fair, Circolo dei Lettori in Milan). Its collaborations with leading European and international museums and cultural institutions – with exchanges of works, academic analyses and mutual promotions – underline its desire to extend its commitment to all those places, in Europe and the world, that share the Group's values and understand the importance of preserving and promoting the artistic and cultural heritage of the countries involved.

The 'Officina delle idee' "Workshop of Ideas" initiative seeks to offer young people, graduates and postgraduates valuable training opportunities in the world of art.

The Intesa Sanpaolo historical archive is one of the most important bank archives in Europe. Founded in 1984 as the historical archive of Banca Commerciale Italiana, it currently manages the documentary heritage of Cassa di Risparmio delle Provincie Lombarde (founded in 1823), Banco Ambrosiano Veneto (1892) and Banca Commerciale Italiana (1894) in Milan, and that of the Istituto Mobiliare Italiano (1931) in Acilia, Rome. All in all, around 12 km of documents, with papers dating from 1472 to 2006, over 7 million photographs (including the vast wealth of images from the archive of photographic agency Publifoto), thousands of videos, a collection of around 1,500 moneyboxes from around the world, as well as an iconography and museum section featuring great artists. As well as representing the history of the company, the historical archive is also a valuable public and cultural asset, as confirmed by its classification by the local cultural superintendencies of Lombardy and Lazio as a collection of "particularly important historic interest".

In addition, Progetto Cultura makes an important contribution to the in-depth study of art, music, history, local traditions and public and private assets through the wide variety of issues touched upon by Intesa Sanpaolo's publications. Its publishing and music initiatives include series dedicated to works of art, the Bank's historic buildings, the storytelling activities relating to the art collections for children, and history, economics and documentary, art and music publications. The Vox Imago multimedia project is also of particular interest. Carried out in collaboration with the biggest national opera theatres, it makes use of educational aids for both teachers and students. Now in its thirteenth edition, the series aims to introduce the opera to a wider audience.

COMMERCIAL INITIATIVES IN THE COMMUNITY

Intesa Sanpaolo strives to respect the Group's principles and values (ethical, cultural and social) also in its partnership and sponsorship initiatives, and has always been very careful to select projects capable of conveying messages in line with the image and reputation of the Bank and Group.

Relations between Intesa Sanpaolo and local communities are developed through activities to promote: culture and knowledge; support for research and innovation to foster new economic and social development opportunities, with solidarity programmes and initiatives to promote sport; and sustainability as a value for businesses and a loyalty factor for customers.

The main cultural activities include the promotion of music, theatre, dance, cinema, art, publishing and reading, and photography, with a particular focus on young people.

To ensure that an increasingly wider public is able to enjoy and appreciate Italy's artistic and cultural heritage, the Bank collaborates with leading bodies and institutions.

Some of the most notable partnerships with major Italian theatres include: Teatro alla Scala, Turin's Teatro Regio, Teatro del Maggio Musicale Fiorentino, Teatro Comunale di Vicenza, Piccolo Teatro, Teatro Franco Parenti, and Teatro Piemonte Europa. One of the more notable projects is La Scala UNDER30, in collaboration with Teatro alla Scala, which seeks to get younger generations interested in opera and classical ballet. Key partnerships with major music, dance and performing arts festivals were also supported: MITO SettembreMusica International Music Festival, PianoCity Milano and Palermo, the Festival dei Due Mondi in Spoleto, Rossini Opera Festival, TorinoDanza, Torino Estate Reale, Torino Jazz Festival, Umbria Jazz and JazzMI, with around 80 concerts, and featuring big international stars and Italian and European up-and-comers in the world of jazz. In 2018, Intesa Sanpaolo also collaborated with artist Roberto Bolle to create On Dance, a cultural week celebrating dance, with a large festival that took place in some of Milan's spectacular locales, featuring shows,

exhibitions, happenings, flash mobs, meetings and workshops. It continued its long-standing partnership with the FAI (the Italian Environment Fund) on the I Luoghi del Cuore project, that collects observation reports from the public concerning places of historic and artistic interest and landscapes requiring restoration work, by initiating the ninth census whose results are to be presented in 2019. Over the eight editions, there have been 5 million reports made in relation to over 35,000 sites, ranging greatly in type, across Italy. This is proof of an increasing need to safeguard the historic heritage and identity of Italy. To date, 92 restoration interventions have been carried out, bringing assets and sites back to the community.

Editorial and film-related initiatives were also promoted, such as Bookcity, Turin International Book Fair, La Milanese, Torino Film Festival, Capri and Hollywood – The International Film Festival, Festival Letteratura of Mantua, Premio Campiello.

The partnership with the Trento Festival of Economics was renewed once again in 2018, that revolved around the theme of “Technology and work”. The festival’s goal was to analyse the relationship between employment and new technologies to understand the impact that these have on the labour market. For the fourth consecutive year, Intesa Sanpaolo also supported the Festival Città Impresa (“Enterprise City”) in Vicenza, an event devoted to industrial regions that provides an international discussion platform on issues relating to the economy, politics and culture, bringing together opinion leaders, businessmen and representatives from civil society.

For the first time in 2018, Intesa Sanpaolo supported the Memoria Festival in Mirandola; a biennial event dedicated to collective and individual memory being a social value and shared asset. Intesa Sanpaolo also took part in the Limes Festival, which saw Italian and international experts coming together in Genoa for three days of conferences and round tables on the most current geopolitical issues. As well as this, the activities organised for Matera 2019 - European Capital of Culture have begun, and will continue throughout 2019, with various events, exhibitions and original cultural productions planned, some of which will be set up in collaboration with the Bank.

Intesa Sanpaolo supports research as a means to promote new economic and social development opportunities, with collaborations with leading foundations and institutions, and also learning opportunities for young people and for promoting the inclusion of women in the workplace.

Along the same lines, there has also been the collaboration with the Intercultural Centre of the City of Turin: the Centre provides training to first and second-generation immigrants on issues forming the basis of intercultural relations, which can help bolster a sense of community and belonging to the city. On a similar note, Intesa Sanpaolo has been working in cooperation with Biennale Democrazia (“Democracy Biennale”), a permanent workshop on democratic practices and civilised coexistence.

Worthy of mention is the partnership with the Intercultural Foundation, which promotes and organises international exchanges between young students and also receives support with the provision of annual study bursaries for upper secondary school students, so that they can experience life and study abroad, being hosted by local families and attending a local school.

Support is also provided to research and study institutes, focusing on people and family behaviour, and more specifically, the Rapporto Giovani (“Young people Report”) published by the Toniolo Institute. This study examines young people in relation to politics and public engagement, with projects on the themes of family, careers and the future. In addition, there is the collaboration with the Luigi Einaudi Research and Documentation Centre on savings research and on Italians’ financial choices, with a view to compiling a report on the choices and habits of families, focusing on their spending priorities, and new consumer and savings models.

The Bank once again gave its support in 2018 to the Food&Science Festival in Mantua, as its main partner. This major national and international science event hosts three days of conferences, laboratories and workshops to thoroughly examine and tackle issues related to food production and consumption in a creative and accessible manner.

With regard to inclusion, the Bank together with the Bellisario Foundation, promoted the third iteration of Women Value Company, a prize awarded to small and medium-sized enterprises that have stood out for implementing gender equality policies, to ensure men and women have equal opportunities and recognition in their careers.

With the Intesa Sanpaolo Innovation Center, business models of the future were explored to create assets and the necessary skills to support competitiveness over the long-term, and to act as a driver and an impetus in the new economy in Italy, with a specific focus on the more significant trends in our society, such as Industry 4.0 and the Circular Economy. Included among the various initiatives is the Bheroes programme, a platform that allows the Bank to:

- get into contact with new start-ups that are emerging on the economic scene, and promote those that are already customers, by providing acceleration, training and support programmes for them to grow, based on courses for mentoring, training support, empowerment, coaching, promotions and communications support, and access to backers;

- encourage experienced companies and start-ups to meet as means of creating connection points and promote growth and acceleration processes.

Other projects in this field worth mentioning relate to:

- Milan Digital Week, an initiative that sees all of Milan digitally “connected”, with more than 400 events across the city for residents. The initiative takes place over four days of discussions, exhibitions, points of interest, seminars, performances, shows, workshops, training courses and laboratories to discover the most unexpected aspects of digital Milan;
- Master TAG in Digital Transformation for Made in Italy, a training course that seeks to ensure the future growth of the Italian economy by educating professionals able to navigate companies through the digitalisation process, based on the implementation of new strategies, the use of digital technologies, and the creation of a new business culture.

On the social front, there is the notable example of the collaboration with the Umberto Veronesi Foundation, including through supporting the Lierac project RUN4ME, in which the funds collected from subscriptions are used for breast cancer research projects. Bank has also contributed together with Friends for Health Onlus and the A. Gemelli Policlinico Universitario Foundation to set up the Naples and Rome stages of Tennis & Friends – Health and Sport...Sport is Health, with the aim of creating awareness for the prevention of thyroid and metabolic conditions. In addition, the partnership with the Juniors Project of Armani Basket Milan and the Level I University Masters in Strategies for Sports Business was announced, organised by Verde Sport in conjunction with the Ca' Foscari University in Venice.